

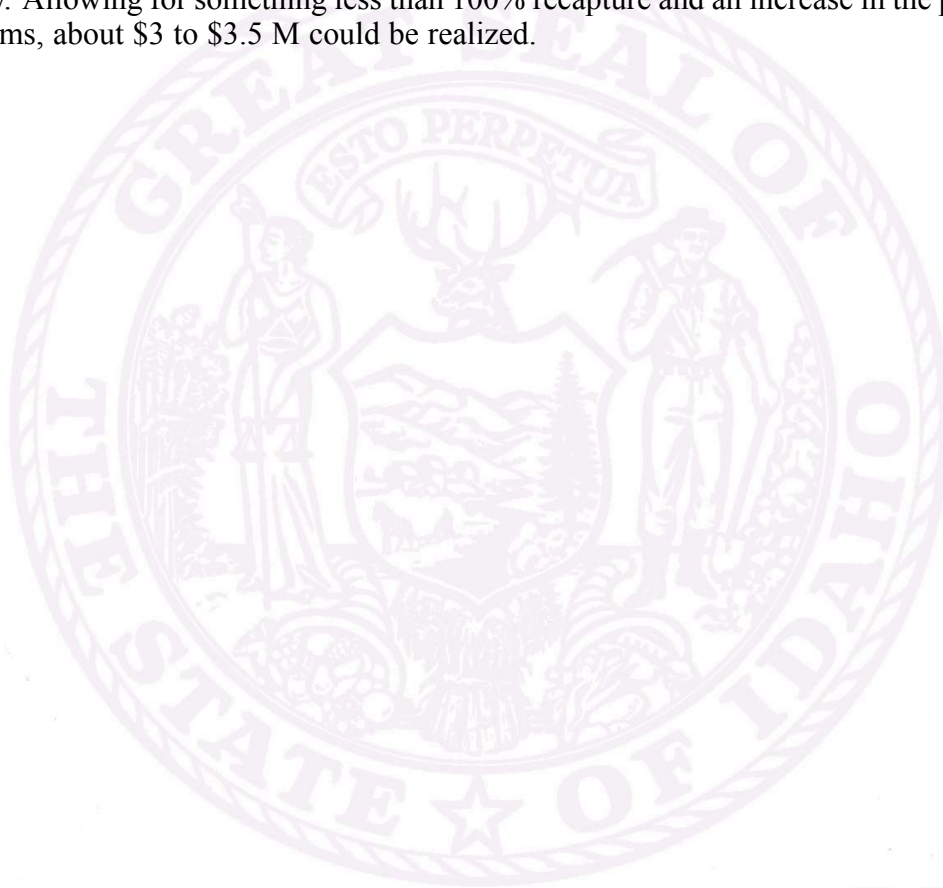
STATEMENT OF PURPOSE

RS20394

This bill deals with the state's motor fuels tax as it relates to off road use of diesel fuel. Rather than relying on the use of dyed fuel, which is no longer exempt from Idaho's tax on motor fuel, off road users may claim an appropriate adjustment or rebate on their income tax return. Essentially the record keeping and reporting burden falls to the user rather than the state.

FISCAL NOTE

Present estimate is that about 10% of dyed diesel is being improperly used, representing about \$4.9 M annually. Allowing for something less than 100% recapture and an increase in the processing of refund claims, about \$3 to \$3.5 M could be realized.



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